

Challenges of Repatriation and Repatriate Support System

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Abstract

As companies are becoming more international in their operations global assignments are becoming increasingly popular. Transferring knowledge and developing international management are becoming necessary. Expatriation in turn constitutes necessary part of global management and success of business in worldwide market. For international firms staff with global management skills is becoming significant competitive resource. Living and working in a different country and culture are major change for most people. HR has huge responsibility to make it easier and minimize the risk of adjustment difficulties of the expatriates. It is also largely their responsibility guarantee a smooth re-adjustment at difficult moment of the expats international assignment. Purpose of this paper is to find reasons that contribute to ineffective repatriation of expatriates and how companies can organize an affective repatriation process.

Challenges of Repatriation

To increase coordination and control across units, transfer innovations across geographical boundaries, and develop future executives international assignments play important role. In this meaning, the company's global competitiveness can be enhanced by international assignments. To obtain these results the number of managers on international assignments as expatriates is increasing. Workforce with global management skills constitutes a critical competitive resource for international companies. Recent surveys indicate that CEOs with international experience achieve better indexes, for example, return on assets, return on investment, and market-to-book ratio. Thus through international work assignments deploying staff around the world is becoming crucial staffing strategy for building global talent [1-3].

Repatriation is the process when international assignment of the expatriate nears its end, they return to the home country at the final phase of expatriation. Like the expatriation process which depends on adapting to a different job, work contexts, and coworkers repatriation includes a cross-cultural adjustment process. Kulkarni et al. argues expatriation and repatriation process as an opportunity for mutual gains for both organizations and individuals. Bailey and Dragoni indicate that sending employee to international assignment is two to three times higher than the average compensation of a comparable employee in the home company. With costs associated with a long-term international assignments firms expect benefits both while international assignees are on abroad and when they return. With large personal human capital investments employees also expect benefits.

Benefits from the Perspective of the Individual

Surveys of Caligiuri and Di Santo indicate that experiencing expatriation helps international assignees to understand what they do not know. They become sensitive to challenges of working in uncharted waters. They develop an appreciation for the complexities of transacting business across national borders which is critical for global leaders' success. Moreover, international assignments are characterized by explicit (technical) and tacit (more complex and deeper) knowledge. Repatriates possess large amount of tacit knowledge which provides companies to understand business operations and cultural dealings deeply in international environments. Among those who practiced high levels of professional responsibility and independence sense of self and personal identity is developed [3-5]. They prone to develop a greater dedication to "their subjective career rather than to their

organizational career, and become more inclined to launch boundary-less careers and to seek challenging professional opportunities".

Benefits from the Perspective of the Organization

Along with being an important element in expanding the international operations of firm, repatriates are the source of resident base of knowledge regarding complexities of international operations, their market characteristics, business climate, individual customers, and cultural preferences. By sharing and transferring market-specific and general knowledge repatriates enhance group intellectual capital of the multinational companies. Thus repatriates can be viewed a unique vehicle for knowledge transfer, organizational learning and an important human capital investment (Figure 1).

Over the past few decades mountains of data is being produced about expat experiences and trends which helps HR managers to organize their return. Unfortunately, overall expatriate experience in overseas segment or the original expatriation adjustment is more successful than repatriation phase. Studies conducted by Black and Gregersen, Price water house Coopers and Cranfield University School of Management indicate that within one year of completing a foreign assignment one fourth of all managers quit their job. This is double turnover rate compared to that of who were not sent abroad [6-10]. Other related findings in UK and Germany vary between 30% and 40% of expatriates quit from their organization within two years of repatriation. Out of 85% those who are aware of the necessity of repatriation programs, only 20% consider that they carry out such programs effectively.

It is generally ignored, although significance of repatriation stage is known. Attrition among repatriated employees remained high even during the global recession. Survey of Brookfield Global Relocation Services points out that over one third of expats leave their company

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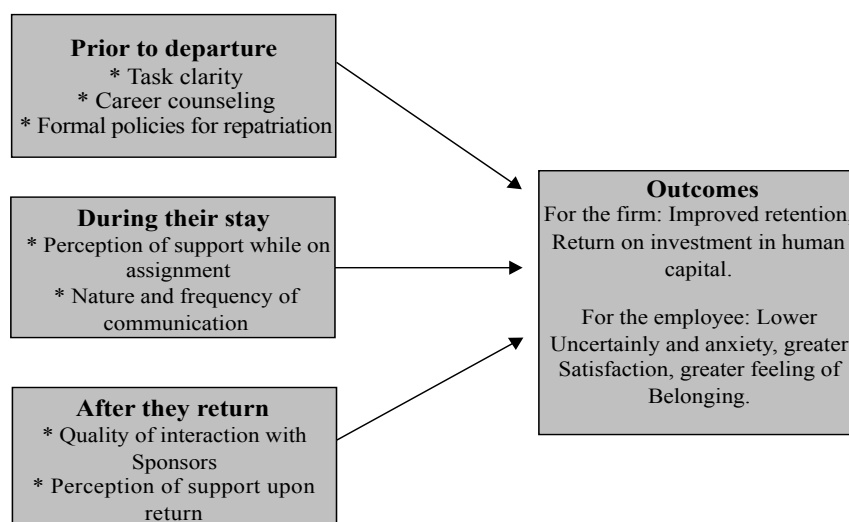


Figure 1: Model of effective repatriation.

in the first year of repatriation. Two-thirds of repatriates believe that international assignment negatively affected their career development. Demotion is experienced by over 75% repatriates. In fact, under-utilization of newly developed skills is primary concern of repatriates. New jobs at home often lack autonomy, authority, and significance, compared to their global assignments. Limited prospects to make use of their international experience upon returning and being uninvolved in the mainstream of corporate advancement instead of promotion encourage repatriates to realize career enhancing only by finding a position with another company.

Centre for Intercultural Learning Canadian Foreign Service Institute (2009) indicates that during reintegration phase 60% of returnees experience Re-entry Syndrome (RES), it is also referred as reverse culture shock or psychological response to a return from international fieldwork. By having negative impact on physical, emotional, behavioural and philosophical aspects of repatriates, RES causes to disruptions through the processes, indecisiveness and extreme negativity [11-13].

Out-of-sight, out-of-mind syndrome is one of the primary concerns of most returnees. To whom the person is returning combination changes in personal identity, cultural and organizational changes in the environment make repatriation as traumatic as expatriation. During overseas stay some political, social and economic changes can happen in home country such as cost of living; personal security, law and order; health service, community affairs; public utilities. Moreover, business atmosphere also can undergo "changes in legislation and company policy, organization, trends and developments, new company products and/or services; new company acquisitions, plants, and other physical facilities". Spouse issues and school children's education: job search; professional updating spouses. Family matters include payment for a skills updating course, assistance in job search, finding employment.

Contributing Factors to Ineffective Repatriation

There is huge amount of consensus about what are the factors that contribute to ineffective repatriation of expatriates. They share several key elements: work environment, socio-cultural, family and individual factors.

Work environment factors include HR-controlled factors relating to job and career planning and career path clarity, relationship between repatriate and home office. After returning international assignment many repatriates return to an organization that seems to have forgotten their achievements. International assignments are frequently a time of deep personal and professional development for expats, when they return home firms do not know how to absorb these skills appropriately [14]. While organizations have to prepare appropriate position for international assignees before return, they are often placed in temporary positions or lateral positions upon returning to the headquarters organization which are lower than their pre-assignment one and are not challenging positions to repatriates to those who have had a greater degree of flexibility, autonomy, and independent decision making during international assignments. When repatriates' "foreign-country market knowledge, insights, relationships, technical skills, and new language abilities" are unappreciated and unutilized in the home office it adversely impacts their contentment on the job and objective to stay in the organization [15]. As a result, internationally proficient employee may be lost to direct competitors, indirectly providing competitors with a valuable human asset advantage.

Socio-cultural factors include reintegration into home country culture. Since international assignees assimilate to the overseas culture, their mental maps and behavioral routines are changed. Those who made deeper adjustments to their behavior while international assignment now should carry out key alterations for reverting back to their old manners. While overseas "contact with day-to-day operations of their organizations" is lost and "contact with the social network of colleagues and supervisors in the domestic organization" is relinquished. Upon reentry, reestablishing those social ties, relearning new technologies and procedures are waiting for them. As a result, expatriates' feeling of anxiety and left behind is one the culprits of high repatriation turnover.

Thirdly, family factors take into consideration children and spouse's reintegration. Sometimes just before international assignment expats terminate rental agreement or sell their house [16,17]. Another problematic area of reintegration of family is that spouses gave up employment to be with the expatriate on the overseas assignment.

Therefore, spouse may experience difficulties on finding a new post on return. Repatriation can be affected negatively if the family can not adapt to new situation. Family problems create anxiety make the repatriate feel uncomfortable and insecure. Thus support of organization for both international assignee and his/her family with unanticipated problems is important.

Individual factors include expectations of repatriates plus company's perception about the international assignment. Long before coming back home expectations are formed. Common expectations may include being better off financially, promotion on return, appreciation their new skills, experience and success by company. Therefore, getting acquainted with expectations is of the companies' benefits. Organization has to notify international assignee regarding the importance of the assignment and become familiar with expectations during the expatriates' preparation and training. Therefore, during the repatriation process, if they feel that the potential efforts they are going to implement to the international assignment are recognized, their commitment goes up and vice versa. Work and non-work expectations are often developed by repatriates who wish corporations to address. There is correlation between a positive repatriate experience and staying in their jobs only when their expectations are met.

Repatriate Support System

HR repatriation policies and practices accumulate gaining benefits from sending expats on overseas assignments and integrating these gaining into firm's "storehouse of knowledge and capabilities". Effective approaches of HR enable to strengthen satisfaction and attachment of repatriate, ensuing in higher rates of retention.

In a good pioneer conceptual base to enhance the relational ties between the employee and the organization seven career development strategies are found by Feldman and Thomas: 1) making an accept of international assignment by choice, 2) provision of mentor program, 3) ensuring career advancement, 4) providing appropriate place when they return, 5) utilization of new skills and experiences upon return, 6) explaining perception of firm about international assignment and bringing expectations in line with realities, 7) accepting international assignment as a part of overall career plan.

Jassawalla et al. categorized model of effective repatriation into three steps: before departure, during the assignment and after return (Figure 1).

According to HR practitioners and consultants, starting planning for repatriation of personnel on international assignments before they leave is the right time in a perfect world. Satisfaction from process of repatriation is often reported from those expatriates who were clear about high level of clarity about task assignment. Therefore, prior to departure outcome of repatriation can be improved by task clarity, career counseling and formal policies and guidelines for repatriation. These factors enable to increase the expatriates' focus on task and lessen his/her anxiety while overseas assignment, reduce negative repatriation experiences and ease the transition into the home company.

Two steps firms can make during expat's time abroad are: perception of support while on assignment and nature and frequency of communication. According to repatriates who achieved well, even though presence of support from home company can not enhance satisfaction, but its absence significantly increases dissatisfaction and resentment. Frequent communication with home company improves morale and motivation; ensures feeling of connectedness to big team; makes expatriates informed about changes in company (ibid).

Other two steps which can make a difference expatriation when it ends are: 1) quality of interaction with supporters; 2) the perception of organizational support. Literature defines mentor and sponsor as separate notions. The former is person who arrange for the expats with information and answers to practical questions. The latter serves as a confidante and supporter. Support to expatriates upon return is advised to carry out in a way that shifting them on posts which point to that the company values them as much as they were valued overseas (ibid).

Swaak, argues that one of the important issues of HR managers is managing repatriation. In order to achieve successful expatriate and repatriate experiences "companies need:

1. To involve senior management in formulating a global succession planning process,
2. To make selection part of management development process,
3. To use properly trained mentors,
4. To involve the expatriate in his or her own career planning process,
5. To treat expatriates as investment"

Conclusion

Kjerfve and McLean, argues that repatriation for MNC is an opportunity to renew its competencies. Therefore, opportunities for new knowledge to be absorbed and circulate in the organization are needed to create. To take place knowledge sharing MNC need create formal and informal atmosphere. Knowledge sharing can be easier when "rich mechanisms of communications and interaction among returning expatriates and other members of the organization" take place. But knowledge sharing should be done in an atmosphere that "expatriates feel valued by the organization and are seen by others as valuable reservoirs of knowledge". Such attitude enables repatriates to share their knowledge and will allow absorption of such knowledge by other members of the company. This process can be assisted by company through supporting "feedback seeking behaviors and social networks which facilitate the reintegration of repatriates to the organization". Even governments can ease expatriation process. For instance, social welfare benefits via taxation are provided by Scandinavian governments. In Denmark and Norway governments guarantee protect the job of spouse for a period of time while the other accepts an overseas assignment.

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